**Connecticut State Medical Society Testimony on**
**Senate Bill 35 An Act Concerning Notice of Acquisitions, Joint Ventures and Affiliations of Group Medical Practices**
**Presented to the Public Health Committee**
**March 5, 2014**

Senator Gerratana, Representative Johnson and members of the Public Health Committee, on behalf of the physicians and physicians in training of the societies we submit this testimony to you on Senate Bill 35 An Act Concerning Notice of Acquisitions, Joint Ventures and Affiliations of Group Medical Practices. We appreciate the Committee, administration and the Attorney General for acknowledging the rapidly changing landscape that is our healthcare delivery system.

Unlike many surrounding states, in Connecticut we have been fortunate that until recently, independently practicing physicians have been able to thrive and provide quality health care services to patients without influence or interference from for profit corporations. While the realities of the marketplace are quickly altering these figures, more than half of actively practicing Connecticut remain to be independent and in what are considered small practices of ten or fewer physicians.

We support what we believe is the intent of Senate Bill 35 to ensure that the Attorney General is aware of consolidations in the health care delivery market, to ensure that no anti-trust laws are violated and that no monopoly or monopsony is created. That said, we have concerns that as drafted, the bill might have an adverse impact on the ability of smaller physician practice to keep their autonomy and continue to provide quality care without corporate influence. We welcome the opportunity to work with the committee to address these issues.

At this point we must raise two concerns with the legislation as drafted. First, Section 1 (c) would require that any change in a practice with as few as two physicians provide a significant amount of detailed information to the Attorney General when the intent is as simple as recruiting a new physician to the partnership or an agreement by a practice to take over the patients and/or records of an insolvent practice. For example, a partnership can be created by two independently practicing physicians coming together to establish one practice. We do not believe this level of detail was intended by proponents of the legislation; the proposed reporting structure would have a chilling impact on the ability of solo and small group physicians to retain their independence.

Second, the language requires the impacted parties to provide ninety days notice of such transaction to the Attorney General. While significant mergers of health systems, hospitals and others might include a protracted process required by state and federal laws and regulations allowing for a three month notice prior to the transaction, the consolidation or merge of smaller practices can often happen in a much more timely manner. Additionally, in the unfortunate situation of a physician practice becoming bankrupt or insolvent, a ninety day notice window before another practice could take over the patients from such insolvent practice would hamper the ability of patients to receive timely and necessary medical care. We

also offer that the language contained in Section 1(c) simply states "material changes" "include" the five specified items. It does not preclude a determination that other transactions or practice alterations would ultimately be found to be a material change and subject to the requirements outlined in SB 35.

We support the intent behind SB 35 and welcome the opportunity to work with Committee members on the issue.